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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
Connecticut Department of Public Utility Control)	RM No. 9258
Petition for Rulemaking to Amend the Commission's)	
Rule Prohibiting Technology-Specific or)	
Service-Specific Area Code Overlays)	
)	
)	
Massachusetts Department of Telecommunications)	NSD File No. L-99-17
and Energy Petition for Waiver to Implement a)	
Technology-Specific Overlay in the)	
508, 617, 781, and 978 Area Codes)	
)	
)	
California Public Utilities Commission and the People)	NSD File No. L-99-36
of the State of California Petition for Waiver to)	
Implement a Technology-Specific or Service-Specific)	
Area Code)	

REPLY COMMENTS OF MEDIAONE GROUP, INC.

MEDIAONE GROUP, INC.

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REPLY COMMENTS OF MEDIAONE GROUP, INC.

MediaOne Group, Inc. ("MediaOne"), pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, hereby submits its reply comments to the comments on the Notice of Proposed Rulemaking issued in the above-captioned proceedings.^{1/}

^{1/} Numbering Resource Optimization, Notice of Proposed Rulemaking, FCC 99-122, CC Docket No. 99-200 (rel. June 2, 1999) ("Notice").

INTRODUCTION AND SUMMARY

MediaOne supports the Commission's ambitious effort to address number utilization and conservation measures by effectuating a national, comprehensive numbering scheme designed to ensure fair and impartial access to numbering resources by all telecommunications carriers. The Notice represents a major step toward resolving the complex legal, technical, and policy issues raised by the need to implement a more pro-competitive, efficient mechanism for managing numbers.

While MediaOne recognizes that the changes necessary to implement a properly functioning numbering environment will take a sustained effort on the part of the Commission, inefficient and restrictive allocation and utilization of numbering resources present an immediate threat to new entrants such as MediaOne. The Commission must, therefore, introduce number resource optimization measures in separate stages. First and foremost, the Commission must identify and implement certain short-term and interim measures as quickly as possible to alleviate number exhaust situations that are currently preventing new entrants from providing competitive telephone services to American consumers. By implementing certain key numbering resource measures on an expedited basis, the Commission can address the immediate concerns of new entrants and customers harmed by the current numbering situation while the Commission develops intermediate- and long-term number resource optimization measures.

In response to the Commission's detailed Notice, over 70 parties -- representing a cross-section from each industry segment including CLECs, IXCs, ILECs, CMRS/paging companies, state commissions and other organizations -- filed comments. While the comments on the Commission's Notice illustrate that the overwhelming majority of parties have a substantial

interest in modifying the current allocation and utilization of numbering resources in some fashion, the diversity of comments strongly suggests that industry-wide consensus will be difficult, if not impossible, to achieve. As a threshold matter, the multitude of conflicting approaches suggested by individual commenters, including those proposed by nearly 20 state commissions, demonstrates that number resource optimization and administrative reform must ultimately take place on a national level.

Nevertheless, there are some common themes that emerge from the recently submitted comments. Perhaps the most notable of those themes is that the comments can generally be organized into numbering “haves” and “have nots.” The “haves” are generally made up of the ILECs who maintain plenty of numbers and seek to take this opportunity to ensure that reform is implemented slowly. Such actions, however, stand in stark contrast to the Commission’s determination that the current numbering problems have reached crisis proportions and require immediate government intervention.^{2/} In contrast, MediaOne and other new entrants stress the importance of swift and sweeping action to resolve the current numbering dilemma. The disparity in how these carriers view the numbering crisis is likely related to the fact that ILECs are either insensitive to or ignorant of the obstacles that competitors face when trying to obtain numbers that are chronically in short supply.

MediaOne’s market entry plans have been delayed due to the lack of numbering resources in California and in the Northeastern United States. Although MediaOne has upgraded its infrastructure to provide telecommunications services to residential customers in these areas, it has not yet been able to obtain numbering resources sufficient to make telephony services

^{2/} Notice ¶ 25.

available to approximately 291,000 homes. Thus, the current numbering situation causes actual, not theoretical, harm to competitors.

A numbering system that places MediaOne, or any other carrier, at such a competitive disadvantage is inconsistent with the intent of Congress when it enacted the 1996 Act with its landmark market-opening provisions. MediaOne, and other facilities-based carriers serving residential customers, were exactly the kind of carriers that Congress had envisioned would benefit from its legislation (and would, in turn, benefit the public interest). In fact, MediaOne has and will continue to invest in the local market in its ongoing effort to gain residential customers. Naturally, MediaOne supports these efforts with considerable infrastructure investments in order to enhance consumer choice and savings.^{3/}

The lack of sufficient numbering resources is a formidable barrier to local entry and hampers consistent investment in the local exchange market. In order to remove significant barriers to entry imposed on new carriers willing to devote substantial resources to deploy competitive telecommunications services, the Commission must immediately implement numbering measures to alleviate number exhaust. To that end, MediaOne focuses these reply comments on several critical areas that require prompt resolution by the Commission to improve the numbering environment for both carriers and consumers by ensuring that adequate numbers are available and to discourage counterproductive or anti-competitive numbering decisions by carriers.

Accordingly, MediaOne urges the Commission to introduce certain emergency number resource measures on a fast-track basis, so that the Commission can make more numbers

^{3/} See Comments of MediaOne at 1-2

available for new entrants in jeopardy areas at the same time it develops much needed intermediate- and longer-term number resource optimization measures. Specifically, MediaOne recommends that the Commission expressly rule that carriers are permitted to enter into voluntary number porting arrangements and require mandatory number porting in every NPA for which states have implemented number rationing procedures and in other jeopardy areas where thousands-block number pooling has not yet been implemented.

In addition, MediaOne also requests that the Commission take the following action on an expedited basis:

- Implement thousand block pooling as quickly as possible.
- Reject all ILECs proposals designed to limit or delay the implementation of number resource measures that would level the playing field for new entrants.
- Adopt MediaOne's initial code verification proposal in order to minimize the incentives for carriers to build and carry unused inventories of numbers.
- Implement MediaOne's recommendations to establish a national set of number optimization rules, definitions, reporting and recordkeeping standards, and other administrative measures designed to promote more efficient market utilization.^{4/}
- Declare, as a matter of policy, that splits are preferred as compared to overlays.

I. THE COMMISSION SHOULD IMPLEMENT EMERGENCY MEASURES TO ALLEVIATE NUMBER SHORTAGES IN JEOPARDY AREAS

While MediaOne has urged in its initial comments that thousands-block number pooling and rate center consolidation be implemented as quickly as possible, MediaOne understands that neither measure can be implemented swiftly enough to alleviate numbering shortages that

^{4/} In the initial round of comments, MediaOne urged the Commission to implement several administrative and numbering optimization measures to promote more efficient number utilization. Although MediaOne does not believe that it is necessary to reiterate these issues on reply, these issues are also among the actions that the Commission should implement on an expedited basis.

currently exist in jeopardy areas, including, but not limited to, NPAs in New York, California, and Massachusetts.^{5/} The Commission must therefore introduce certain emergency number resource optimization measures to alleviate artificial number shortages that exist in these, and other, jeopardy areas on an accelerated basis. By implementing key emergency numbering resource measures on a fast-track basis, the Commission can make more numbers available for new entrants in jeopardy areas at the same time it develops much needed intermediate- and longer-term number resource optimization measures. Specifically, MediaOne submits three proposals for immediate Commission approval.

First, the Commission should expressly rule that carriers are permitted to share NXX codes through voluntary number porting arrangements. By expressly permitting carriers to enter into voluntary number porting arrangements with one another, the Commission's actions may serve to encourage carriers to engage in behavior that makes better use of existing numbering resources. In contrast, there appears to be no adverse consequences associated with voluntary number porting arrangements.

Second, the Commission should require mandatory number porting arrangements in every NPA for which states have implemented number rationing procedures and in other jeopardy areas where thousands-block number pooling has not yet been implemented. In these areas, the current requirement that each LEC seeking to serve a particular rate center must obtain a unique NXX, or 10,000-number block, has prevented new entrants from serving customers,

^{5/} MediaOne does not believe that these emergency measures should take the place of thousands-block number pooling, rate center consolidation, or other longer-term optimization measures. Indeed, MediaOne disagrees with those commenters that argue that thousands-block number pooling cannot be used effectively in areas where numbering shortages are acute. See infra Section III.

even though there may be thousands of unused numbers available. Mandatory number porting would make more efficient use of currently available, unused numbers on a short-term basis in those areas where numbering shortages are most acute.

In order to implement mandatory number porting on an expedited basis, MediaOne proposes the following criteria:

- 1) All LNP-compliant LECs would report their utilization of NXX codes immediately to the numbering administrator upon Commission order, and on a quarterly basis thereafter. All utilization reports should be compiled on a rate center basis. Until they become LNP-compliant, CMRS providers should be excluded from participation in the mandatory number porting program. Utilization reports should remain confidential, subject to review and audit procedures as set forth by the Commission in this proceeding.
- 2) Any LNP-compliant LEC with less than an 80 percent utilization rate in a particular rate center should be required to make numbers from that NXX code available to other carriers. Before submitting NXX codes, however, a LEC should be permitted to set aside an additional 20 percent of all numbers it possesses for its own future use.^{6/}
- 3) All remaining numbers in that NXX would be made available for sharing purposes and must be ported to any eligible, requesting LEC. If a rate center has more than one porting LEC, receiving LECs should be directed to apportion their requests among the porting LECs in a manner that will best conserve each LEC's supply of numbers.
- 4) The mandatory number porting process should continue in a given rate center on a monthly basis until the utilization rate has reached, or exceeded, the 80 percent threshold level.^{7/} Once the porting LEC informs the numbering administrator that the 80 percent threshold level has been reached, the administrator will notify all participating LECs that they may no longer order numbers from that LEC in that rate

^{6/} If a LEC has multiple NXX codes within the same rate center, the set-aside percentage shall be measured against the LEC's total number supply (e.g., if a LEC has two NXX codes in a rate center, the LEC would be able to set aside 4,000 numbers (20% of 20,000) for its own future use. LECs should be permitted set aside a larger percentage of numbers provided they first make a demonstrated needs-based showing.

^{7/} Utilization should be defined by including numbers in use plus others numbers not otherwise available, including numbers ported, numbers aging, and administrative numbers. In addition, MediaOne believes the Commission should exclude reserved numbers from the utilization calculation.

center. LECs that have received numbers from that rate center, however, should not be required to return a ported number unless the associated service is disconnected.

- 5) A LEC seeking to receive numbers through the mandatory number porting process in jeopardy areas must first demonstrate to the numbering administrator that: (i) it does not possess any numbers in that rate center; and (ii) it has the present ability to serve customers in the rate center for which numbers are requested.

At the end of each month, any LEC eligible to receive numbers in a particular rate center would place an order with the porting LEC requesting enough numbers to cover its anticipated needs during the next month (taking into account numbers ported but not utilized in the preceding month). Thereafter, the porting LEC would port its numbers to all requesting LECs on the first day of the next month, provided that the 80 percent threshold had not been exceeded.^{8/} In order to document the number porting process and to resolve any disputes that may arise, LECs requesting numbers should be required to provide NANPA with a copy of all orders placed.

In order to protect against any abuse of the mandatory number porting process, LECs receiving ported numbers must provide the numbering administrator with utilization reports for these numbers on a monthly basis. These reports should provide the numbering administrator with the information necessary to identify carrier misuse of the mandatory number porting process. Of course, the Commission should also establish enforcement rules designed to deter against such abuse.

Third, the Commission should reemphasize that a state's delegated authority to ration codes within an NPA is predicated upon the state's implementation of a specific numbering relief

^{8/} If the porting LEC has multiple NXX codes within the same rate center, it should be able to retain discretion over the NXX code it decides to port the numbers from.

plan within the affected NPA by a date certain that is at least 90 days prior to the anticipated exhaust date. If the state fails to implement the numbering relief plan as originally proposed, the Commission should require immediate implementation of the above-described mandatory number porting process within the affected NPA. While mandatory number porting should be implemented prior to the effective date of any number rationing plan, MediaOne's mandatory number porting proposal is likely to provide only temporary number relief in jeopardy areas and, therefore, must be supplemented by other relief measures on a timely basis. Indeed, if carriers believe that no additional number relief plan is forthcoming, they will be extremely reluctant to make available any of their unused numbers to other carriers, even in a mandatory number porting plan.^{9/}

II. MANY ILEC PROPOSALS REFLECT THEIR INTENT TO PRESERVE A NUMBERING RESOURCE SYSTEM THAT PROVIDES ILECS WITH SIGNIFICANT COMPETITIVE ADVANTAGES OVER NEW ENTRANTS

Many of the ILEC commenters in this proceeding have taken positions that suggest that they are either insensitive to or ignorant of the obstacles that competitors face when trying to obtain numbers that are chronically in short supply. Rather than recommend a comprehensive framework designed to create the fair and impartial access to national numbering resources by all telecommunications carriers envisioned by the Commission, many ILECs have instead sought to develop positions designed to preserve the competitive advantages that incumbent LECs enjoy

^{9/} The Commission should also require additional measures to ensure that LECs having the present ability to serve customers in a given rate center have a full and fair opportunity to do so. To that end, the Commission should declare that, wherever possible, the numbering administrator should provide an initial code to any carrier that can demonstrate operational readiness in rate centers where mandatory number porting is not available. Moreover, to the extent possible, "operationally ready" LECs should be entitled to receive an initial NXX code before any rationing process is implemented for a particular rate center.

by virtue of their long-standing incumbency advantage and the existence of an inefficient and ineffective numbering resource scheme that disproportionately and negatively impacts new entrants' ability to obtain the numbering resources they need to serve customers that they are otherwise prepared to serve.

For example, some ILECs appear to reject the conclusions set forth in the NANP Exhaust Report.^{10/} These carriers believe that the NANP Exhaust Report should be given little weight because they believe that the Report is either unreliable,^{11/} or, at best, presents the "worse case [numbering exhaust] scenario."^{12/} This view, however, is likely informed by the ability of ILECs to obtain sufficient numbers most, if not all, of the time. A more objective review of the current state of affairs reveals that the NANP Exhaust Report is an accurate portrayal of the status of the current numbering crisis.^{13/} In fact, recent reports indicate that NXX code assignments from the first half of 1999 show that the industry is running about 6% ahead of earlier projections contained in the NANP Exhaust Report, suggesting that number exhaust may occur sooner, not later, than earlier estimates.^{14/} Notwithstanding the ILECs' general disdain for the numbering conclusions set forth in the NANP Exhaust Report, many ILEC comments on this issue also reflect little, if any, recognition that the current numbering exhaust problem is severely damaging competitive carriers, especially CLECs such as MediaOne in the early stages of entry into the telecommunications market.^{15/} In particular, the Commission should expressly reject any ILEC

^{10/} See Comments of BellSouth at 10-11; Comments of GTE at 4-5; Comments of USTA at 4-5; Comments of SBC at 20.

^{11/} See Comments of GTE at 7-8; UTA at 4-5; and SBC at 20.

^{12/} See, e.g., Comments of BellSouth at 12.

^{13/} See Comments of NANPA at 2.

^{14/} See NXX Code Assignments Running Ahead of Projections, TR Daily (Aug. 24, 1999).

^{15/} See, e.g., Comments SBC at 5-6.

proposals seeking to delay the implementation of number resource optimization proposals until a new exhaust study is performed.^{16/}

As discussed briefly below, ILEC recommendations regarding reporting requirements, thousands-block number pooling, the implementation of utilization rate thresholds, and the imposition of 10-digit dialing requirements, also reflect the ILECs' bias in favor of preserving a numbering resource system that does little, if anything, to remove the significant barriers new entrants face when seeking to obtain sufficient numbering resources. MediaOne urges the Commission to disregard many of these arguments on the basis that they are in direct contrast to the Commission's intention to correct the current "[i]nefficiencies in the allocation and utilization of numbering resources [that] threaten to slow or halt the growth of competition by preventing new entrants from expanding their offerings."^{17/}

A. ILECs Seek Data Reporting at a Level That Will Not Enhance the Accuracy With Which the NANPA May Predict Patterns of Number Usage and Exhaust

Many of the ILECs would require reporting at a level that is inconsistent with the Commission's goal of "strengthen[ing] the current system for forecast and utilization data collection, both to enhance the accuracy with which NANPA may predict patterns of number usage [and exhaust], and also to serve as a check on the ability of unscrupulous carriers to hoard numbers or otherwise abuse the number allocation and administration system."^{18/} These ILECs would have the Commission establish reporting obligations at the NPA level.^{19/} However, such

^{16/} See Comments of GTE at 7-8; Comments of SBC at 15-20; Comments of USTA at 4-5.

^{17/} Notice ¶ 13.

^{18/} See Notice ¶ 69.

^{19/} See Comments of Ameritech at 20; Cincinnati Bell at 8 and GTE at 23. But see USTA Comments at 5.

reporting would mask true results of numbering optimization and would impair the ability of NANPA to obtain and analyze data necessary to forecast number availability and number utilization, as well as efforts to identify instances of numbering abuse and to execute credible enforcement measures. The Commission has already tentatively concluded that rate center reporting will provide more meaningful information for utilization tracking and forecasting.^{20/} In its opening comments, MediaOne and other parties supported this tentative conclusion arguing that a more granular showing, on at least the rate center level, would enable NANPA to better project future demand for numbering resources and, therefore, allocate numbering resources on a more efficient basis.^{21/} Commenters seeking NPA-based reporting have failed to rebut the Commission's conclusion or MediaOne's showing that rate center reporting is required.^{22/}

B. The Commission Should Reject any ILEC Attempts to Limit or Delay the Implementation of a Comprehensive National Thousands-Block Number Pooling Plan

While there is broad support from all industry segments for implementation of thousands-block number pooling in the near future,^{23/} some ILEC commenters seek to slow-roll the implementation of thousands-block number pooling by seeking to attach numerous conditions on

^{20/} Notice ¶ 76.

^{21/} See Comments of MediaOne at 18. See also Comments of Cox at 26; Time Warner at 21; Comments of California Public Utilities Commission at 13-14; Comments of Maine Public Utility Commission at 10; Comments of Minnesota at 10; New Jersey Board of Public Utilities at 3; North Carolina Utilities Commission at 6; Public Utilities Commission of Ohio at 9.

^{22/} See Comments of Cincinnati Bell at 8 (arguing that granular reporting is inefficient yet never addressing whether broader requirements would actually forward the Commission's goals).

^{23/} See, e.g., Comments of ALTS at 23-24; Comments of Bell Atlantic at 23; Comments of CAPUC at 26 (stating that thousands block pooling is the CAPUC's "highest priority"); Comments of Sprint at 16-17 (urging the Commission to adopt national pooling guidelines as expeditiously as possible); Comments of U S West at 16; Comments of WPSC at 7 (urging the Commission to enable thousands block pooling without waivers or trials).

the implementation of a comprehensive, national thousands-block number pooling plan in a manner that would severely limit and delay the significant number resource optimization benefits that such comprehensive pooling measures can provide. As set forth in Section III herein, MediaOne recommends that the Commission reject any ILEC attempts to postpone or limit the implementation of thousands-block number pooling under the pretext that further study of the benefits of such pooling is necessary.

C. The Commission Must Ensure that any Implementation of Utilization Rate Proposals Do Not Discriminate Against New Entrants

Although the Commission determined that “newly acquired and activated NXX codes will have lower utilization rates than older, more ‘mature’ NXXs,”^{24/} some ILECs (and other commenters), in varying degrees, argue that carriers “supplement” their Months-to-Exhaust forecasting data with utilization rate data in order to demonstrate their need for growth codes.^{25/} For example, SBC proposes a “Hybrid ‘Months-to-Exhaust’ Utilization Verification Mechanism.” Under this proposal, carriers requesting growth codes would be required to submit a Months-to-Exhaust worksheet and would be required to achieve an initial utilization rate of 55 percent, increasing annually by 5 percent to a maximum threshold of 70 percent, to receive a growth code.^{26/}

MediaOne opposes such utilization rate proposals because they could both impede number conservation efforts and interfere with a carrier’s ability to meet demand for new services. As noted in MediaOne’s initial comments, incumbents can easily distort their

^{24/} Notice ¶ 65.

^{25/} See, e.g., Comments of SBC at 25 (supporting a “utilization threshold...which carriers would be expected to meet in most circumstances in order to secure additional numbering resources.”)

^{26/} See Comments of SBC at 26-29.

utilization rates by including reserved and other numbers, even when such numbers are not being used to provide any type of service. Moreover, many commenters correctly note that utilization rate thresholds bear little relationship to the date at which a carrier should reasonably be expected to need additional numbers. Accordingly, if the Commission decides to implement utilization rates for any purposes, it should consider implementing multiple sets of such rates, with data provided at the rate center level, based on the identity of the carrier to level the playing field for new entrants.

D. 10-Digit Dialing Should Not Be Implemented in the Short Term, If At All

Most of the ILECs support mandatory 10-digit dialing.^{27/} ILECs and other commenters supporting mandatory 10-digit dialing argue that 10-digit dialing is inevitable and that the Commission should simply concede that its implementation is a proper regulatory action.^{28/} MediaOne believes that such reasoning does not adequately consider other options available to the Commission. Furthermore, MediaOne contends that the public interest will be disserved if mandatory 10-digit dialing is implemented as part of the “short-term” solutions to the numbering crisis.

As indicated in the comments of several state commissions, 10-digit dialing for number optimization purposes “cannot be justified given the customer confusion and inconvenience it [causes].”^{29/} The FCC should not continue to consider mandatory 10-digit dialing as one of its potential number optimization measures. Instead, the Commission’s efforts should be directed at

^{27/} See Comments of Bell Atlantic at 16; BellSouth at 15-18; GTE at 35-36; US West at 4, 12-16; USTA at 7-8 and OPASTCO at 6.

²⁸ See Comments of BellSouth at 16 (arguing that “the dialing of ten digits is inevitable.”); Comments of GTE at 37 (“ultimately all calls will and should be dialed on a ten-digit basis.”).

ensuring the telephone numbers now available are being used efficiently by service providers.

Accordingly, all feasible efficiency measures should be implemented before the highly disruptive approaches that depend on implementation of mandatory 10-digit dialing are considered.^{30/}

III. THE COMMISSION SHOULD ESTABLISH A COMPREHENSIVE, NATIONAL THOUSANDS-BLOCK NUMBER POOLING PLAN THAT CAN BE IMPLEMENTED ON AN EXPEDITED BASIS

In their initial comments, MediaOne and numerous other carriers have illustrated numerous examples in which the current numbering resource system has created artificial number shortages that have prevented them from serving customers in areas experiencing code jeopardy, even though there may be thousands of unused numbers available.^{31/} As MediaOne demonstrated in its initial comments, implementation of thousands-block number pooling is likely to be one of the most efficient and effective means to alleviate artificial numbering shortages in the foreseeable future.^{32/} Like MediaOne, the vast majority of commenters agree that the Commission must move quickly and decisively to implement thousands-block number pooling.^{33/}

Recognizing that “implementing thousands-block pooling in major markets is an important numbering resource optimization strategy that is essential to extending the life of the

^{29/} See Comments of NY DPS at 16; Comments of Minn DPS at 10-11

^{30/} See Comments of Ad Hoc Users at 23-24.

^{31/} See Comments of MediaOne at 5-6, Comments of Cablevision Lightpath at 5-6, Comments of a NEXTLINK at 5; Comments of Sprint at 2.

^{32/} See Comments of MediaOne at 21-23.

^{33/} See, e.g., Comments of ALTS at 23-24; Comments of Bell Atlantic at 23; Comments of CAPUC at 26 (stating that thousands block pooling is the CAPUC’s “highest priority”); Comments of Sprint at 16-17 (urging the Commission to adopt national pooling guidelines as expeditiously as possible); Comments of U S West at 16; Comments of WPSC at 7 (urging the Commission to enable thousands block pooling without waivers or trials).

NANP,^{34/} MediaOne, ALTS, and several other commenters advocated in favor of a comprehensive, nationwide thousands-block pooling plan that would initially mandate thousands-block pooling to areas experiencing acute numbering shortages.^{35/} By implementing a national thousands-block pooling mechanism in this manner, the Commission can effectively match up number pooling with those areas that have both the capability and the need for pooling. As several commenters have noted, the Commission's implementation schedule should also take into account the availability of NPAC Release 3.0 and pool administration,^{36/} and should use the staggered timetables used to implement LNP, modified to address jeopardy areas.^{37/} Because thousands-block pooling can also provide significant long-term number optimization benefits in areas where numbering shortages are not acute, MediaOne recommends that thousands-block pooling can, and should, be implemented in other areas after the initial phase has been implemented.

While virtually all commenters agree that the FCC should establish some form of thousands-block pooling, several commenters attempt to limit implementation of thousands-block pooling in a manner that will significantly impair the efficacy of number pooling.^{38/} For example, several ILEC commenters argue that thousands-block pooling should not be implemented unless it can first be demonstrated that thousands-block pooling will increase the

^{34/} Notice ¶ 138.

^{35/} See Comments of MediaOne at 22-23; Comments of ALTS at 23-24; Comments of Connect Communication Corporation at 16; Comments of Cox at 15; Comments of Qwest at 4; Comments of Time Warner at 6-7.

^{36/} See Comments of ALTS at 24-25; Comments of BellSouth at 23.

^{37/} See Comments of MediaOne at 23; Comments of ALTS at 25.

^{38/} See Comments of GTE at 40; Comments of Ameritech at 40-42; Comments of SBC at 15-20.

life of a given NPA by at least five years.^{39/} Similarly, many of those same ILECs also assert that the implementation of thousands-block pooling must be predicated upon the completion of a comprehensive cost-benefit analysis.^{40/} As support for their positions, the ILECs incorrectly claim either that Lockheed Martin's NANP Exhaust Study substantially overstates area code demand and NANP exhaust or, alternatively, that "the current rapid pace of area code exhaust appears to be a short-term problem."^{41/}

The Commission should reject any ILEC attempts to slow-roll the deployment of thousands-block pooling. Notwithstanding selected ILEC comments to the contrary, new entrants have more than adequately demonstrated that the numbering crisis is real and immediate such that their inability to gain access to numbers significantly impedes their ability to compete in areas that they are otherwise prepared to serve. Moreover, the benefits of thousands-block pooling as a number resource optimization tool are well documented.^{42/} As ALTS correctly indicates, thousands-block pooling can provide significant number optimization benefits both in areas where the exhaust of number is likely and in areas where "exhaust is not imminent."^{43/}

In light of the need for immediate number resource solutions, coupled with the commenters' near unanimous approval of thousands-block number pooling, the Commission should reject ILEC proposals to predicate the implementation of thousands-block number

^{39/} See, e.g., Comments of GTE at 40; see also Comments of USTA at 9.

^{40/} See, e.g., Comments of Ameritech at 40-42; Comments of GTE at 40.

^{41/} See, e.g., Comments of SBC at 15-20, 69.

^{42/} See Notice ¶138 n. 246.

^{43/} See Comments of ALTS at 24. ("It is widely accepted that implementation of number pooling is most effective in 'new' NPAs." Nevertheless, "number pooling can also provide significant number optimization benefits in NPAs where there are few remaining resources.").

pooling upon the establishment of inefficient, overly burdensome, and time consuming additional studies.

Finally, MediaOne does not support those commenters that would limit the use of number pooling until rate center consolidation has been implemented.^{44/} MediaOne urges the Commission to encourage strongly rate center consolidation at the state level,^{45/} and recognizes that the benefits of thousands-block number pooling will be greatly enhanced if rate center consolidation can be accomplished before or simultaneously with it. MediaOne, however, does not support limiting the use of number pooling until rate center consolidation has been implemented because that will most likely lead to delays in the availability of number pooling, without significantly increasing the speed with which rate center consolidation is implemented.

IV. MEDIAONE'S INITIAL CODE RECOMMENDATION IS FULLY CONSISTENT WITH THE COMMISSION'S EFFORTS TO MINIMIZE THE INCENTIVES FOR CARRIERS TO BUILD AND CARRY UNUSED INVENTORIES OF NUMBERS

In its initial comments, MediaOne has proposed that carriers be required to utilize initial codes within six months, with a one-time, need based, three-month extension.^{46/} MediaOne has also urged the Commission to provide a preference in favor of carriers who demonstrate that they are ready to provide service to customers using the code.^{47/} By implementing requirements for carriers seeking initial codes that contemplate reasonable timeframes for utilization and establish preferences for operational readiness, the Commission can develop an initial code assignment

^{44/} See Comments of Bell Atlantic at 19; Cincinnati Bell at 9-10.

^{45/} See Comments of MediaOne at 26-27.

^{46/} See Comments of MediaOne at 12-13.

^{47/} Id. In this regard, MediaOne's proposal would require carriers to document their readiness in a manner similar to that set forth in Section 61.2 of the Applications Process in the CO

mechanism that enhances number distribution efficiency without imposing requirements that would be unduly burdensome and would disproportionately and negatively impact new entrants.

MediaOne recognizes that the current numbering resource system itself is largely responsible for the current shortage of numbering resources. Nevertheless, MediaOne believes that an initial code assignment mechanism that establishes reasonable timeframes for utilization and mandates their reclamation in instances where carriers have no plans to utilize initial codes in the near term is fully consistent with the Commission's efforts to minimize the incentives for carriers to build and carry unused inventories of numbers.

While MediaOne recognizes that its initial code assignment proposal may be somewhat more aggressive than other CLEC proposals,^{48/} the MediaOne proposal is competitively neutral and will inure to the benefit of carriers that seek numbers to provision new customers and win market share. The only possible losers under MediaOne's proposal are carriers that seek numbers having neither the ability nor the opportunity to use initial codes within a reasonable time frame.

V. THE FCC SHOULD DECLARE THAT GEOGRAPHIC SPLITS ARE PREFERABLE TO ALL-SERVICES OVERLAYS

MediaOne and other new entrants generally favor geographic splits over the creation of all-services overlays.^{49/} Commenters advocating in favor of all-services overlays either ignore, or significantly underestimate, the significant competitive disadvantages imposed upon new

Guidelines. This section requires that "interconnection arrangements and facilities need to be in place prior to activation of a code."

^{48/} See Comments of ALTS at 7; Comments of ChoiceOne at 4; Comments of Level 3 at 3; Comments of NEXTLINK at 15; Comments of RCN at 2.

^{49/} See Comments of Level 3 at 16; Comments of RCN at 16; Comments of MCI at 62; see also Comments of Cox at 24 ("there is no inherent benefit to area code overlays.").

entrants as consumers prefer not to switch to a new area code.^{50/} For example, under an all-services overlay approach, new entrants are forced to draw and assign many more numbers from the new area code as compared to the incumbent LECs. In contrast, incumbent LECs will naturally retain more of the existing NXX codes and telephone numbers than any of its competitors. Accordingly, the establishment of all-services overlays is not competitively neutral because new entrants will not be able to compete effectively against incumbent LECs for customers desiring numbers in the existing NPA.

In contrast to all-services overlays, a geographic split is competitively neutral because it allows “equal availability of unassigned NXXs in both the new and the old NPA to all industry segments.”^{51/} Moreover, as MediaOne has discovered through its own discussions with residential customers, consumers have articulated that they prefer geographic splits as a form for area code relief. In particular, consumers generally prefer a geographic split approach because: (1) it permits them to retain one NPA per household or business; (2) it provides the continued association of one area code within a particular geographic area; and (3) it avoids the need for 10-digit dialing.^{52/}

Significantly, MediaOne’s customers have also indicated that all-service overlays negatively impact their propensity to take additional telecommunications services from competitors. For example, MediaOne’s customer research indicates that approximately 13 percent of all households plan to obtain an additional phone line in the next year. However,

^{50/} See Comments of Bell Atlantic at 38-39; Comments of BellSouth at 18-20; Comments of GTE at 67-72; Comments of SBC at 94-100.

^{51/} See Notice ¶ 248.

^{52/} As indicated in section IID, supra, 10-digit dialing imposes real social costs, including the confusion and inconvenience caused by the transition to a new dialing plan.

those households are only half as likely to obtain an additional line if that line required a different area code.

Accordingly, the Commission would serve the public interest by declaring that geographic splits are preferable to all-services overlays. While MediaOne concedes that there may be times when geographic splits are no longer a viable option, MediaOne does not believe that the Commission should limit the number of times a state can utilize splits in one location. Because all-services overlays competitively disadvantage new entrants, however, MediaOne suggests that the Commission declare that all-services overlays, like 10-digit dialing, should only be adopted as a "last resort," when no other viable alternative exists to conserve numbering resources.

VI. CONTAMINATION LEVELS MUST ACCURATELY REFLECT MARKETPLACE REALITIES

In its initial comments and elsewhere, MediaOne advocates its support for a 10 percent threshold for establishing the contamination of a thousands block for CLECs, and a twenty-five percent threshold for ILECs. Such a policy would recognize that a 10-percent contamination rate is appropriate for carriers whose number inventories consist of several uncontaminated blocks. Such a modest contamination level for ILECs will grant such carriers a disproportionately advantageous standing in the industry. Nevertheless, ILECs would have the Commission perform a surface level analysis of the overall problem by stating that a 25% rate for ILECs is

unfair.^{53/} What these carriers fail to address is how the benefits of incumbency should be overcome in the Commission's decision on contamination.

There are numerous areas in the Communications Act and the Commission's rules have recognized that government regulation was necessary to minimize the ILECs' long-standing competitive advantage and to foster a competitive telecommunications marketplace. The Commission should, therefore, not be sidetracked by the mere fact that MediaOne has proposed contamination percentages for ILECs and CLECs that are not identical. Competitive neutrality does not necessarily translate to mirror-image regulation. The key concept is fairness. An identical contamination requirement for both ILECs and CLECs, however, would not achieve that goal. Nevertheless, to ensure that carriers are treated fairly once the embedded advantages of incumbency are eradicated, MediaOne proposes that the Commission limit the number of years that a CLEC may utilize the lower utilization rate to four years. Additionally, other carriers have suggested that another means of ensuring that neither ILECs nor CLECs are disparately treated would be to require surrender by an ILEC of a thousands-number block for every thousands-number block surrendered by a CLEC.^{54/} MediaOne does not object to the adoption of such alternative proposals.

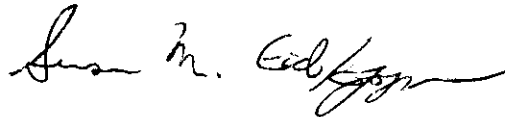
^{53/} See Comments of GTE at 55; Comments of Ameritech at 44-45; Comments of Bell Atlantic at 40.

^{54/} See Comments of RCN at 14; Comments of Connect Communications Corporation at 17.

CONCLUSION

For all the foregoing reasons and for the reasons set forth in its initial comments, MediaOne urges the Commission to immediately implement measures consistent with its recommendations to ensure the continued viability of the nation's numbering resources.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Susan M. Eid". The signature is fluid and cursive, with a long, sweeping underline.

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CERTIFICATE OF SERVICE

I, Cathy M. Quarles, hereby certify that on this 30th day of August, 1999, I caused copies of the foregoing "REPLY COMMENTS OF MEDIAONE GROUP, to be served by U.S. mail, first class, postage prepaid, or by hand delivery (*) on the following:

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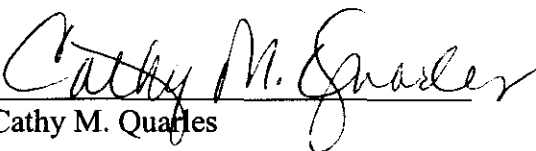
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